

ENGINEER'S REPORT

Prepared for the

CITY OF SAN DIEGO

**La Jolla Village Drive
Maintenance Assessment District**

Annual Update for Fiscal Year 2004

under the provisions of the

**San Diego Maintenance Assessment District Ordinance
of the San Diego Municipal Code**

and

**Landscape and Lighting Act of 1972
of the California Streets and Highways Code**

Prepared by

**BOYLE ENGINEERING CORPORATION
7807 Convoy Court, Suite 200
San Diego, CA 92111
(858) 268-8080**

May 2003

CITY OF SAN DIEGO

Mayor

Dick Murphy

City Council Members

Scott Peters
District 1

Brian Maienschein
District 5

Michael Zucchet
District 2

Donna Frye
District 6

Toni Atkins
District 3

Jim Madaffer
District 7

Charles Lewis
District 4

Ralph Inzunza, Jr.
District 8

City Manager

Michael T. Uberuaga

City Attorney

Casey Gwinn

City Clerk

Charles G. Abdelnour

City Engineer

Frank Belock

Assessment Engineer

Boyle Engineering Corporation

Table of Contents

Engineer's Report

La Jolla Village Drive Maintenance Assessment District

Preamble	1
Executive Summary	2
Background	3
District Proceedings for Fiscal Year 2004	3
Bond Declaration	4
District Boundary	4
Project Description.....	5
Separation of General and Special Benefits.....	5
Cost Estimate	6
Estimated Costs.....	6
Annual Cost Indexing	6
Method of Apportionment	7
Estimated Benefit of the Improvements.....	7
Apportionment Methodology.....	7
Land Use Factor	8
Benefit Factor.....	9
Equivalent Benefit Units (EBUs).....	10
Summary Results	11

EXHIBITS

Exhibit A: Boundary Map

Exhibit B: Estimated Annual Expenses, Revenues, and Reserves

Exhibit C: Assessment Roll

Engineer's Report

La Jolla Village Drive

Maintenance Assessment District

Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), in connection with the proceedings for the LA JOLLA VILLAGE DRIVE MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), BOYLE ENGINEERING CORPORATION, as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. _____ ,
ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN
DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE
_____ DAY OF _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

Executive Summary

Project: La Jolla Village Drive
Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2003	FY 2004 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	681	682	--
Total Estimated Assessment:	\$0	\$0 ⁽³⁾	--
Total Number of EBUs:	4,096.58	4,096.58	--
Assessment per EBU:	\$0.00	\$0.00	\$6.87

⁽¹⁾ FY 2004 is the City's Fiscal Year 2004, which begins July 1, 2003 and ends June 30, 2004. Total Parcels Assessed, Total Estimated Assessment, and Total Number of EBUs may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

⁽²⁾ Maximum Authorized annual amounts subject to cost indexing provisions as set forth in this Engineer's Report.

⁽³⁾ FY 2004 maintenance activities will be funded from available District reserves.

Proposition 218 Compliance: The District was re-engineered in Fiscal Year 1998 for compliance with Proposition 218. By a ballot proceeding, majority property owners (52.78% of the weighted vote) approved Fiscal Year 1998 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing.

Annual Cost Indexing: An increase of assessments, under authority of annual cost indexing provisions, is not required for Fiscal Year 2004.

Bonds: No bonds will be issued in connection with this District.

Background

The La Jolla Village Drive Maintenance Assessment District (District) was originally established in January 1988 under the provisions of the San Diego Maintenance Assessment District Ordinance. The general purpose of the District was and still is to provide for the maintenance of landscaped medians located within the District boundary. The maintenance contracts issued for this District also cover maintenance activities performed at the Campus Point Landscape Maintenance District. However, funds for these activities are provided by that district.

The District was re-engineered in Fiscal Year 1998 for compliance with Proposition 218. By a mail ballot proceeding, property owners approved the re-engineering with 52.78% of weighted votes supporting the proposed assessments. Over 39% of property owners responded to the mail ballot.

The Engineer's Report, preliminarily accepted by City of San Diego (City) Resolution Number R-288800 on June 8, 1997, proposed Fiscal Year 1998 assessments, maximum authorized assessments for subsequent years, and provisions for annual cost indexing of the maximum authorized assessments. The Engineer's Report was approved and assessments confirmed by City Resolution Number R-289039 on August 5, 1997.

District Proceedings for Fiscal Year 2004

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"). This report has been prepared in compliance with Assessment Law.

The purpose of the proposed proceedings and this Engineer's Report is

to update the District budget and assessments for Fiscal Year 2004. The Fiscal Year 2004 assessments proposed within this Engineer's Report do not represent an increase from the previous year's assessments. Therefore, the vote requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

District Boundary

The Boundary Map and Assessment Diagram for the La Jolla Village Drive Maintenance Assessment District are on file in the Maintenance Assessment Districts Section of the Park and Recreation Department of the City of San Diego and by reference are made a part of this report. The Boundary Map and Assessment Diagram for the District are available for public inspection during normal business hours. The boundary of the District is shown on Exhibit A. The District boundary was extended to include the Costa Verde Specific Plan area in Fiscal Year 1998.

The Costa Verde area encompassed roughly 46 acres and is bounded by La Jolla Village Drive to the north, Nobel Drive to the south, Genesee Avenue to the east, and Regents Road to the west. The Costa Verde area was originally excluded from the District based on an obligation to provide maintenance for portions of Regents Road and Genesee Avenue. The cost of such maintenance constituted a sufficient in-lieu assessment and was the reason Costa Verde was originally excluded from the District. However, the Costa Verde project encountered financial difficulties and was subsequently assumed by the Resolution Trust Corporation (RTC). Under RTC control, Costa Verde ceased to maintain Regents Road and Genesee Avenue, ultimately leading to their inclusion in the District in Fiscal Year 1998.

The University of California, San Diego (UCSD) student housing project was considered for inclusion. The project fronts La Jolla

Village Drive, but is small compared to the length of roadway maintained and has no direct legal access. The terrain of the UCSD site prevents physical access to La Jolla Village Drive and severely limits any viewshed benefit. The benefit to this site was considered insignificant and therefore it was not included in the District.

Project Description

The project funded by the assessment to be levied by the District is the maintenance of 26,833 square feet of landscaped median and 41,099 square feet of hardscaped medians. The maintenance includes weekly litter control and quarterly sweeping of hardscape. The improvements are located within La Jolla Village Drive and Nobel Drive as shown in Exhibit A.

The engineering drawings for these improvements are on file at Map Records in the City Engineer's office and are incorporated herein. The drawing numbers are as follows: D-22719, D-22400, D-23464, D-19973, D-22696, D-21955, D-23652. Improvements along Regents Road (previously maintained exclusively by the Costa Verde project as part of an in-lieu assessment agreement) are intended to become a part of this District upon completion of the requisite establishment period and acceptance by City staff. These improvements are also shown in Exhibit A.

The specifications for the maintenance to be performed are contained in City Contract No. L2662/00, which is incorporated herein by reference and is on file with the City Clerk and the Parks and Recreation Department. The specifications for the maintenance are available for public inspection during normal business hours.

The contract issued for this District also covers maintenance activities for the Campus Point Landscape Maintenance Districts. However, funds for these activities are provided by that District.

Separation of General and Special Benefits

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (18.0¢ per square foot of landscaped median and 1.3¢ per square foot of hardscaped median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per

acre). These cost allocations are considered to be “general benefit” administered by the District. All other maintenance, operations, and administration costs associated with the District, which exceed the City’s contribution to the public at large, are accordingly considered to be “special benefit” funded by the District.

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2004 annual expenses, revenues, reserves, and assessments (provided by the City) are included as Exhibit B hereto. No assessment will be levied for Fiscal Year 2004 due to sufficient excess capacity of existing reserves.

Annual Cost Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer’s report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 1998, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 1998 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. Fiscal Year 1999 was the first year authorized for such indexing. However, it

has been determined that an increase of assessments, as authorized by the cost indexing provisions, is not required for Fiscal Year 2004.

Method of Apportionment

Estimated Benefit of the Improvements

The improvements provided by this District are associated with the maintenance of street right-of-ways and street medians.

The major and arterial streets within the District are the backbone of the street network within the community. They serve as the primary access routes in and out of the community, cross-community trips and thus serve all parcels within the community. All parcels benefit from the enhancement of these streets and the enhanced community image provided by the improvements being maintained by this District.

The Transportation Element of the City's General Plan and the General Policy Recommendation found in La Jolla Community Plan and Local Coastal Program Land Use Plan establish several goals for the community's streets. The improvements being maintained by this District are consistent with the Plans' goals for safety and pleasing aesthetics. The maintenance for these enhanced assets, since installation, has been funded through the District. The General Plan also supports the establishment of community landscape improvement and maintenance districts, such as this District, to accomplish these goals.

Apportionment Methodology

The total cost for maintenance of the improvements will be assessed to the various parcels in the District in proportion to the estimated Equivalent Benefit Units (EBUs) assigned to a parcel in relationship to the total EBUs of all the parcels in the District.

EBUs for each parcel have been determined as a function of two factors, a Land Use Factor, and a Benefit Factor, related as shown in the following equation:

$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$
--

Each of these factors are discussed and developed below.

Land Use Factor

Since the improvements to be maintained or provided by the District are primarily associated with the Transportation Element of the General and Community Plans, trip generation rates for various land use categories (as previously established by the City's Transportation Planning Section) have been used as the primary basis for the development of Land Use Factors. While these trip generation rates strictly address only vehicular trips, they are also considered to approximately reflect relative trip generation for other modes of transportation (e.g., pedestrian trips, bicycle trips, etc.), and are considered the best available information for these other transportation modes.

The special benefits of landscape and hardscape improvements maintained or provided by the District are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. The special benefits of open spaces maintained or provided by the District are linked to trip generation primarily by their contribution of aesthetics and view corridors which break the monotony of travel. Thus, trip generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the City's Municipal Code. Land use/zoning classifications have been grouped with averaged trip generation rates assigned to establish the Land Use Factors as shown in Table 1.

TABLE 1: Land Use Factors

Land Use/Zoning	Code	Land Use Factor
Residential – Single Family (detached)	SFD	1.0 per dwelling unit
Residential – Condominium	CND	0.7 per dwelling unit
Residential – Multi-Family & Apartment	MFR	0.7 per dwelling unit
Residential – Convalescent & Retirement Home	CNV	0.3 per dwelling unit
Commercial – Office & Retail	COM	45.0 per acre
Hotel	HTL	15.0 per acre
Park – Developed	PKD	5.0 per acre

Benefit Factor

The Land Use Factor described above reflects the relative intensity of use (or potential use) of the various parcels of land to be assessed. It does not address the relationship of this use to the specific improvements to be provided or maintained by the District. This relationship is reflected in the Benefit Factor utilized in the assessment methodology.

In determining the Benefit Factor for each land use category, the subcomponents of the benefits of District improvements considered may include some or all of the following: public safety, view corridors and aesthetics, enhancement of community identity, drainage corridors, and recreational potential. As Benefit Factors and their subcomponents are intended to reflect the particular relationships between specific land uses within a district and the specific improvements maintained or provided by the district, Benefit Factors will generally vary from one district to another, based on the specific details of the applicable land uses and improvements provided.

The applicable benefit subcomponents and resultant composite Benefit Factors determined for the various Land Use/Zoning categories within this District are as shown in Table 2.

TABLE 2: Benefit Factors by Land Use

Land Use/Zoning	Public Safety (max. 0.2)	Aesthetics (max. 0.8)	Composite Benefit Factor (max. 1.0)
Residential – All	0.2	0.8	1.0
Commercial – Office & Retail	0.2	0.4	0.6
Hotel	0.2	0.4	0.6
Park – Developed	0.2	0	0.2

Public Safety. All land uses are considered to receive the maximum available benefit from the public safety element of District improvements. Public safety is essential to all land uses, and even to lands, such as designated Open Space, held in stewardship with only incidental human use.

Aesthetics. The degree of benefit received from the aesthetic qualities of open spaces and landscaped roadway medians and rights-of-way maintained or provided by the District varies among land use categories. Generally, by nature of their use, residential lands receive the greatest benefit from the reduced traffic congestion, reduced noise levels, greater separation from traffic and generally more tranquil environment provided by open spaces and landscaped roadway medians and rights-of-way. Commercial and institutional uses, on the other hand, often thrive on higher densities, greater traffic access, and a higher level of activity in the vicinity of their enterprises. These uses, accordingly, receive a lesser degree of benefit from the general insulation and separation provided by the aesthetic elements of District improvements.

Land in the Park category is considered to receive no significant benefit from the aesthetic elements of District improvements, as enhanced aesthetic quality of other lands in their vicinity does not affect their function, use, or value.

Equivalent Benefit Units (EBUs)

As described above, the number of Equivalent Benefit Units (EBUs) assigned to each parcel in the District has been calculated, based on the preceding factors, as follows:

$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$
--

Based on the above formula, the EBUs calculated for each property, can be found in the Assessment Roll (Exhibit C).

Summary Results

The District Boundary is presented in Exhibit A.

An estimate of the costs of the improvements provided by the District is included as Exhibit B to this report.

The assessment methodology utilized is as described in the text of this report. Based on this methodology, the EBUs and Fiscal Year 2004 District assessment for each parcel were calculated and are shown in the Assessment Roll (Exhibit C).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2004 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

BOYLE ENGINEERING CORPORATION

Eugene F. Shank, PE C 52792

Alex Bucher, EIT CA 112628

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the _____ day of _____, 2003.

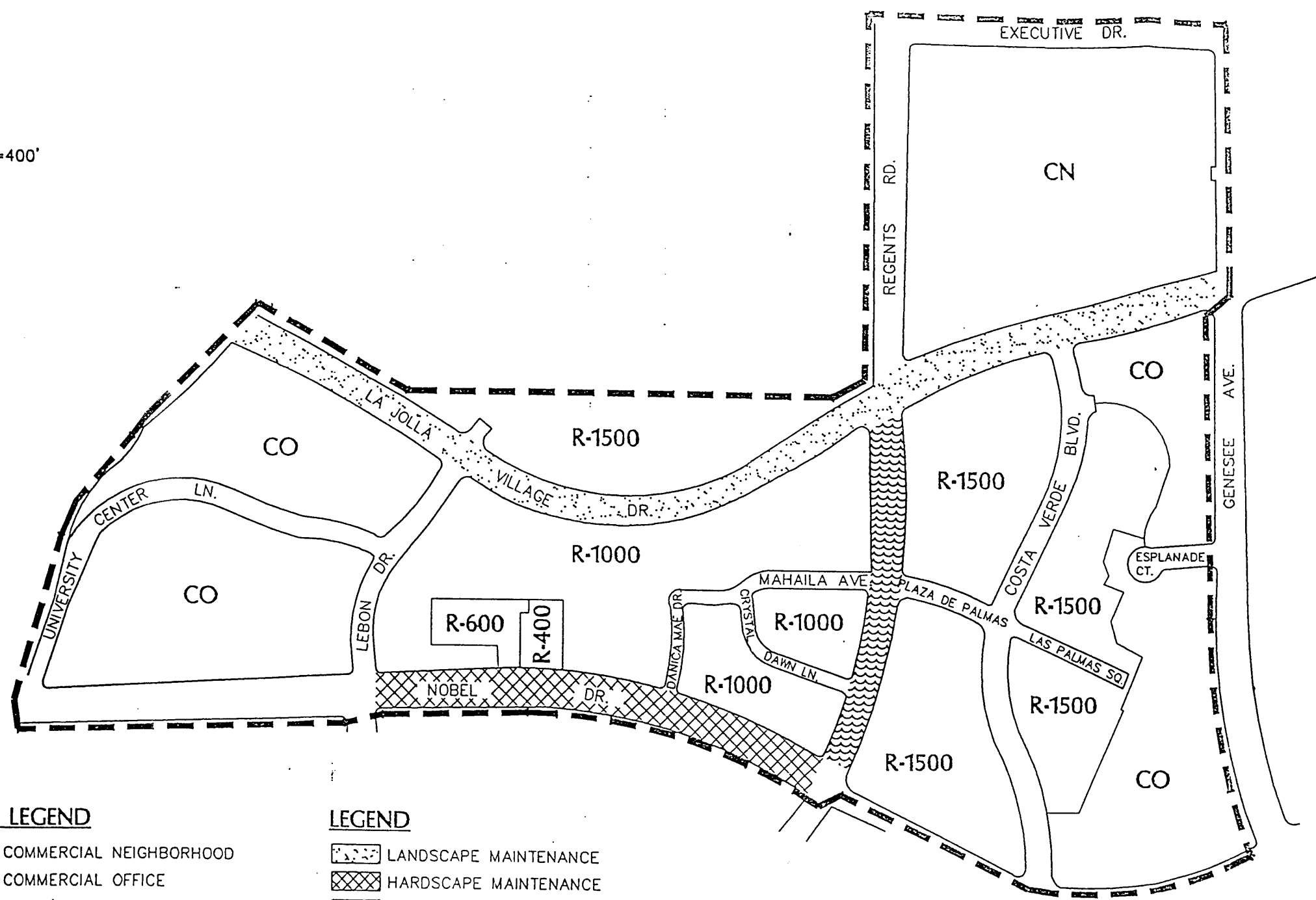
Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram was recorded in my office on the _____ day of _____, 2003.

SUPERINTENDENT OF STREETS
CITY OF SAN DIEGO
STATE OF CALIFORNIA

EXHIBIT A

SCALE: 1"=400'



ZONING LEGEND

CN	COMMERCIAL NEIGHBORHOOD
CO	COMMERCIAL OFFICE
R-400	1 DU/400 S.F.
R-600	1 DU/600 S.F.
R-1000	1 DU/1000 S.F.
R-1500	1 DU/1500 S.F.

LEGEND

	LANDSCAPE MAINTENANCE
	HARDSCAPE MAINTENANCE
	IMPROVEMENTS PENDING CITY ACCEPTANCE

LA JOLLA VILLAGE DRIVE
LANDSCAPE MAINTENANCE DISTRICT
EXHIBIT A

**LA JOLLA VILLAGE DRIVE
Maintenance Assessment District**

EXHIBIT B

Maintenance Assessment Districts

Council District: 5
Fund: 70238

La Jolla Village Drive

La Jolla Village Drive Maintenance Assessment District			
	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED
Positions	0.15	0.15	0.15
Personnel Expense	\$ 9,819	\$ 11,262	\$ 11,291
Non-Personnel Expense	24,901	109,720	83,609
TOTAL	\$ 34,720	\$ 120,982	\$ 94,900

The La Jolla Village Drive Maintenance Assessment District (District) was established in January 1988 to provide maintenance of 26,833 square feet of landscaped medians, and 41,099 square feet of hardscaped medians along La Jolla Village Drive between Interstate 5 and Regents Road.

The Fiscal Year 2004 Proposed Budget is based on current maintenance costs. The District does not have an established oversight committee.

LA JOLLA VILLAGE DRIVE	FY 2003 ESTIMATE	FY 2004 PROPOSED	
BALANCE	\$ 116,173	\$ 85,887	
Revenue			
Assessments	\$ -	\$ -	(1)
Interest	4,418	3,649	
City Contributions	5,364	5,364	(2)
TOTAL OPERATING REVENUE	\$ 9,782	\$ 9,013	
TOTAL REVENUE AND BALANCE	\$ 125,955	\$ 94,900	
Expense			
Personnel	\$ 11,189	\$ 11,291	
Contractual	18,000	26,750	
Incidental	8,077	7,514	
Utilities	2,802	2,807	
Contingency Reserve	-	46,538	
TOTAL EXPENSE	\$ 40,068	\$ 94,900	
BALANCE	\$ 85,887	\$ -	
Assessment per EBU: (3)	0.00	0.00	

(1) For Fiscal Year 2004, the assessment is being suspended to lower the reserve. The District has accumulated a large reserve over the years due to medians being turned over by the developer later than originally scheduled. Fiscal Year 2004 will be the third year that the assessments have been suspended. The suspension of assessments will be considered annually until the surplus has been reduced to an amount within legal guidelines.

(2) In Fiscal Year 2003, the City contributed a general benefit of \$4,830 from Gas Tax for maintenance of 26,833 square feet of landscaped medians at \$0.18 per square foot, and \$534 for maintenance of 41,099 square feet of hardscaped medians at \$0.013 per sq. ft. In Fiscal Year 2004, the City will contribute general benefit of \$4,830 from Gas Tax for maintenance of 26,833 square feet of landscaped medians at \$0.18 per square foot, and \$534 for maintenance of 41,099 square feet of hardscaped medians at \$0.013 per square foot.

(3) The district contains a total of 4,096.58 Equivalent Benefit Units (EBUs).

EXHIBIT C

Due to the size of the Assessment Roll (Exhibit C), only limited copies are available. Please contact the City of San Diego, Park & Recreation Department, Open Space Division, Maintenance Assessment Districts Program at (619) 685-1350 to review the Assessment Roll.